



Irish Life Weekly Investment Bulletin

The week that was – WEEK 25 (ending 23/06/2017)

“Example is not the main thing in influencing others. It is the only thing.” – Albert Schweitzer

CSO Household Budget Survey shows 4.3% increase in expenditure – The 2015-2016 Household Budget Survey just published shows average weekly household expenditure was €845.12, up 4.3% on 2009-2010 but expenditure on alcohol and tobacco decreased by over 29% with Transport spending rising by nearly 7%.

Brexit talks get underway – Negotiators from the U.K. and the E.U. met in the first formal Brexit session. The one breakthrough from the negotiations was both sides have agreed to set up working groups on EU citizens' rights, the size of Britain's "divorce bill" and borders before beginning to negotiate a new trade arrangement.

Global stock market up 0.3% on the week – The MSCI AC World TR Index showed a gain of 0.33% from the 16th June to 23rd June with the U.S. S&P 500 Index achieving a new record high during the week. Volatility, as measured by the Volatility Index (VIX), was down slightly to 10.6 from the previous Friday's 10.9.

Eurozone consumer confidence hits 16-year high – According to data released by the European Commission, consumer confidence across the eurozone came in at -1.3 in June (up from -3.3 in May), its highest level since 2001. The reading of -1.3 beats economists' forecasts, which was for a reading of -3.0.

Split in BOE over U.K. rate move – Bank of England governor Mark Carney said that now is not the time for a rate increase because of low wage growth and patchy consumer spending but BOE chief economist Andy Haldane disagreed saying a rate rise in second half of this year would be wise because of inflation increase.

MSCI to include China A-shares in index next year – MSCI unveiled plans to gradually add 222 China A Large Cap stocks to its benchmark emerging markets index, starting in June 2018, a key milestone in the development of China's capital markets. MSCI declined to add these on three earlier occasions since 2014.

The Story of the week: Disney Resorts are used to attracting many visitors but one man has topped them all, visiting its Disneyland California theme park 2,000 days in a row. Jeff Reitz marked the milestone, using his Disneyland Resort annual pass which had enabled his trek to the park on a daily basis since January 1, 2012. Mr Reitz has tried virtually every ride and his favourite is the Matterhorn Bobsleds, which he first rode when he was two. John McClintock, a spokesman for the theme park said Disney has yet to come across someone as enamored with the park as Reitz, an Air Force veteran in his 40s who usually shows up after work and spends a few hours. "His girlfriend frequently comes with him but not every day," McClintock said. "That would be true love, wouldn't it?".

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 23/06)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	10.1
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	8.5
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	6.3
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	9.9
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	10.0
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	16.4
Nikkei 225	22.9	56.7	7.1	9.1	0.4	5.3
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	13.6
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.1
German	1.4	1.9	0.5	0.6	0.2	0.2
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	1.9
Greece	12.7	8.2	9.6	7.9	7.1	5.4
Portugal	6.9	6.1	2.7	2.5	3.8	2.9
Spain	5.4	4.1	1.6	1.7	1.4	1.4
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.12
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.27
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

*Past performance is not a reliable guide to future performance